

Consumer Guide Motor Insurance



What is Motor Insurance?

Motor Insurance protects you financially when your vehicle is involved in an accident or other insured events. Your Comprehensive motor insurance policy not only pays for loss, damage, or repairs to your own vehicle, but also protects you against your legal liability for:

- Third party death or bodily injury
- Third party property damage to other parties' property

Normally, the duration of coverage is for one (1) year and should therefore be renewed annually to maintain insurance protection and renew your road tax.



What are types of Motor Insurance coverage available?

Coverage/ Benefits	Comprehensive Insurance (known also as 1 st Party Policy)	Third Party Fire & Theft Insurance (known also as 2 nd Party Policy)	Third Party Insurance (known also as 3 rd Party Policy)	Exclusions
Liabilities to third party for: <ul style="list-style-type: none"> • Death • Bodily injury • Property loss/damage 	✓	✓	✓	<p>Common exclusions of motor insurance are:</p> <ul style="list-style-type: none"> • Your own death or bodily injury due to a motor accident. • Your liability against claims from passengers in your vehicle (except for taxis and buses). • Loss or damage arising from a natural disaster such as a flood, earthquake, storm, or landslide. • Theft of non-factory fitted vehicles accessories unless otherwise declared. • If the vehicle is used for racing/illegal activities. • Consequential loss, depreciation, wear/tear, mechanical/electrical breakdown failures or breakages. • Losses connected to war, act of terrorism, strike, riots or civil commotion.
Loss/damage to own vehicle due to accidental fire/theft	✓	✓	✗	
Loss/damage to own vehicle due to accident	✓	✗	✗	
Liabilities to driver and passengers of own vehicle (property, bodily injury, death)	✗	✗	✗	



Terminology Bust

No Claim Discount







NCD is a 'reward' scheme for you if no claim is made against your policy during the preceding 12 months of the policy. The premium payable may be reduced if you are entitled to a No Claim Discount (NCD). The scale of NCD applied is as shown in the table:

25%	After 1 st year of insurance	45%	After 4 th year of insurance
30%	After 2 nd year of insurance	55%	After 5 years or more of insurance
38.33%	After 3 rd year of insurance		

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Popular additional motor insurance coverages

Additional Insurance Coverage Explanation	Explanation
 Windscreen, Windows & Sunroof	Covers the cost to replace or repair any glass in the windscreen, window, or factory-standard fitted sunroof of your car that is accidentally damaged without affecting your NCD entitlement.
 Inclusion of Special Perils	Cover loss or damage to Your Car caused by flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence, or sinking of the soil / earth, or other convulsions of nature.
 Legal liability to Passengers	Coverage that protects the policyholder (the driver) against legal liabilities arising from injuries or damages sustained by passengers during an accident.
 Legal Liability of Passengers for Negligent Acts	Coverage that protects the vehicle owner from legal liability if a third party is injured or their property is damaged due to the negligence of passengers.
 Current year "NCD relief"	Cover compensation for your No Claim Discount (NCD) that you may forfeit due to a claim being made under the policy. The amount is equal to your NCD entitlement shown in the schedule of your policy for the current Period of Insurance. <i>Note: (Only applicable to Comprehensive Private Car Policy)</i>
 Strike Riot and Civil Commotion	Covers any damages or loss caused by strike, riot, and civil commotion.

Which is better in insuring your vehicle value?

When insuring your vehicle, you can choose the basis of insurance between **Agreed Value** and **Market Value**.



Agreed Value

The sum insured is fixed and agreed upon upfront between you and the insurer. In the case of total loss or theft, the payout will match this **agreed value**. This may help to adequately cover your vehicle hire-purchase balance settlement to the financial institution.



Market Value

The sum insured reflects your vehicle's market value at the time of loss. As the car's value depreciates over months, you may refer to your insurer to determine the reasonable **market value** using a credible Vehicle Valuation Database (VVD) at the time of renewal to minimise the risk of under-insuring or over-insuring.



Level Up Your Knowledge ►

To learn more about how total loss works in practice, read "[Actual Total Loss \(ATL\) Explained: What Car Owners Need to Know](#)" on JomLevelUp.

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What should you know before making a claim?

If your car is involved in an accident, you can make an own damage claim or third-party claim. Types of claims as below:

01 Own Damage (OD) claim: If you are at fault, you can make a claim against your own comprehensive policy. However, you will lose your No Claim Discount (NCD) entitlement.

02 Own Damage Knock for Knock (ODKFK) claim: If it is not your fault, you can make an **ODKFK claim** to your own insurance company without the NCD being affected, **provided that:**

- You have a Comprehensive private car insurance policy
- No bodily injury occurs, regardless of who is at fault
- The third-party vehicle is not passenger-carrying vehicle for hire and reward (e.g., buses, taxis, limousines or rental cars).
- The third-party vehicle is identifiable and insured by a Malaysian insurer.

This approach helps speed up the repair process for your own vehicle.

03 Third Party Property Damage (TPPD) claim: If you are not at fault in the accident, you can submit the claims directly to the insurance company of the party at fault.

04 If your vehicle has been stolen (theft claims): If your vehicle is stolen, you can make a claim under a comprehensive policy or third party, fire and theft policy. However, this may exclude theft that arose due to your own negligence (e.g. leaving your vehicle or keys unattended).

Betterment

Betterment is a charge that you will incur when new franchise parts are used to replace the damage parts for accident vehicles if your vehicle is aged 5 years and above. You may avoid incurring these additional charges by opting to use non-franchise parts such as second-hand parts to replace your vehicle's damaged parts, if your vehicle is 5 years and above. There is a specific rate applied on betterment according to the age of the vehicle following the scale below:

Age of Your Car (Years)	Rate of Betterment
less than 5	0
5	15%
6	20%
7	25%
8	30%
9	35%
10 and above	40%

Compensation for actual repair time (CART)

CART means an amount payable as a compensation for not being able to use your vehicle while it is being repaired. The CART will be based on number of days required for your vehicle to be repaired as per the registered adjuster's recommendation and not on the number of days the vehicle is at the workshop.

Possible reasons why a motor insurance claim can be rejected:

- Making dishonest or exaggerated claim
- Failed to take reasonable precaution of the insured vehicle
- Driving under the influence of alcohol or drugs
- Falls under policy exclusion

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How do I make a claim?

Filing a motor insurance claim doesn't have to be complicated. Here's a simple guide:

01 Document Everything
Take clear photos of the damage, the scene and any injuries. Exchange details with the other driver(s) if involved but do not admit responsibility/liability of the incident.

02 Make A Police Report
This is mandatory within 24 hours of the accident. Without it, your claim could be denied.

03 Notify Your Insurer via the Digital Roadside Assistance Application (DRA)
Contact your insurer/takaful operator immediately to notify them of the loss or damage. You can use your insurer's Digital Roadside Application to request roadside assistance at the time of incident, contact customer service, lodge the claim and track the claim status.

- Open the DRA Application:** Download the DRA application on your mobile phone at the time of motor insurance renewal. You can also access the application via tablet or through their website, if available.
- Request Roadside Assistance:** At the time of collision or mechanical breakdown, enable your GPS/geolocation within the DRA application. This ensures that the tow truck finds you exactly where you are without the stress of describing landmarks.
- Track Your Help:** You can track the tow truck's arrival in real-time and follow its progress until it reaches the authorised repairer.
- Stay Updated:** Use the DRA app to lodge your claim online, receive updates on vehicle's repair status and track your claim's progress from start to finish.



Level Up Your Knowledge ➤

Read more on Digital Roadside Assistance (DRA) app here on our JomLevelUp website:

- [How to file motor insurance/ takaful claims digitally?](#)
- [Drive stress-free with Digital Roadside Assistance and digital claims](#)
- [The future of insurance claims is digital!](#)

Can I cancel my motor insurance policy?

You may cancel your motor insurance policy at any time by giving written notice to the insurance company. Upon cancellation, you are entitled to a refund of the premium based on short period rates below, where any minimum premium paid under the policy is not refundable:

Period of Insurance	Refund of Premium %
Not exceeding 1 week	87.5% of the total premium
Not exceeding 1 month	75.0% of the total premium
Not exceeding 2 months	62.5% of the total premium
Not exceeding 3 months	50.0% of the total premium
Not exceeding 4 months	37.5% of the total premium
Not exceeding 6 months	25.0% of the total premium
Not exceeding 8 months	12.5% of the total premium
Exceeding 8 months	No refund of premium allowed